

Message Text

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PAGE 01 VIENNA 06460 180900Z
ACTION OES-09

INFO OCT-01 EUR-12 NEA-10 ISO-00 ACDA-12 CIAE-00
INR-10 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
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FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 7210
INFO AMEMBASSY DACCA
AMEMBASSY PARIS
USDOEHQ WASHDC
USDOEHQ GERMANTOWN

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USIAEA

DEPT PASS IO/SCT
DOE PASS AMMONS, IA

E.O. 11652: N/A
TAGS: IAEA, TECH, ENRG, BG
SUBJECT: IAEA TECHNICAL BID REVIEW OF NUCLEAR POWER
REACTOR FOR BANGLADESH

1. MISSION HAS RECEIVED AGENCY LETTER NOTING THAT
GOVERNMENT OF BANGLADESH HAS REQUESTED IAEA TO
CONVENE GROUP OF EXPERTS FOR TECHNICAL REVIEW OF BID
RECEIVED BY BANGLADESH AEC FROM ALSTHOM-ATLANTIQUE
OF FRANCE FOR A 125 MWE PRESSURIZED WATER NUCLEAR
POWER UNIT. AGENCY PLANS TO CONVENE GROUP OF EXPERTS
FOR THIS TASK DURING THE THREE WEEK PERIOD AUGUST 28-
SEPTEMBER 16, 1978. GROUP WILL MEET INITIALLY AT
IAEA HEADQUARTERS IN VIENNA (INCLUDING WITH
REPERSENTATIVES FROM BANGLADESH AEC) DURING PERIOD
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PAGE 02 VIENNA 06460 180900Z

AUGUST 28-SEPTEMBER 9, FOLLOWED BY SUBSEQUENT MEETING
WITH THE VENDOR IN PARIS SEPTEMBER 11-13, AND RETURN
TO VIENNA FOR COMPLETION OF REPORT SEPTEMBER 14-16,
1978. AGENCY LETTER ENCLOSES BRIEF DESCRIPTION OF
PROPOSED REVIEW AND SOME BACKGROUND INFORMATION
SUBMITTED BY THE VENDOR ON THE PROPOSED REACTOR.

2. TECHNICAL BID REVIEW IS AIMED PRIMARILY AT ESTABLISHING COMPLETENESS OF THE BID AND SHOULD INCLUDE: A) REVIEW OF THE SCOPE OF SUPPLY, B) REVIEW OF THE PROJECT ORGANIZATION PROPOSED BY THE VENDOR; C) REVIEW OF DESIGN FEATURES WHICH ARE UNIQUE AND THE PERFORMANCE GUARANTEES AND WARRANTIES WHICH SHOULD SERVE TO GUARANTEE THE RELIABILITY OF THE PLANT IN RELATION TO THESE FEATURES; D) REVIEW OF THE FUEL SUPPLY PROPOSAL, INCLUDING ASSURANCES FOR CONTINUING SUPPLY, AND E) THE ADEQUACY OF ASSURANCES OF SAFETY STATED IN THE BID, INCLUDING LICENSABILITY.

3. AGENCY HAS INFORMALLY CONTACTED MR. F. O'BRIEN OF FLUOR PIONEER RE POSSIBILITY OF HIS PARTICIPATING IN THIS TECHNICAL BID REVIEW. O'BRIEN APPARENTLY HAS INDICATED THAT HE WOULD BE AVAILABLE FOR SUCH AN ASSIGNMENT. AGENCY REQUESTS U.S. EXPERT ON COST-FREE BASIS, AND WOULD APPRECIATE INDICATION BY JULY 28 WHETHER THIS ARRANGEMENT IS ACCEPTABLE TO USG.

4. FYI: MISSION HAS LEARNED THAT THERE REPORTEDLY WAS CONSIDERABLE DIVISION OF OPINION WITHIN AGENCY SECRETARIAT AS TO WHETHER OR NOT THE AGENCY SHOULD RESPOND FAVORABLY TO THE BANGLADESH REQUEST TO CONDUCT THIS TECHNICAL BID REVIEW, SINCE THE ECONOMICS OF SUCH A PLANT AND THE ABILITY OF BANGLADESH TO FINANCE, LIMITED OFFICIAL USE

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PAGE 03 VIENNA 06460 180900Z

CONSTRUCT AND SAFELY OPERATE SUCH A PLANT IN THE NEAR FUTURE ARE HIGHLY QUESTIONABLE. NEVERTHELESS, IT WAS FINALLY AGREED THAT THE AGENCY SHOULD RESPOND FAVORABLY IN ORDER TO HEAD OFF ANY COMPLAINTS AT THE FORTHCOMING GENERAL CONFERENCE THAT THE AGENCY IS NOT SUFFICIENTLY RESPONSIVE TO REQUESTS FROM ITS DEVELOPING MEMBER STATES. END FYI.

5. COMMENT: BECAUSE OF THE QUESTIONABLE ECONOMICS OF A NUCLEAR POWER PLANT OF THE SIZE DESCRIBED, THE MISSION HAS SERIOUS RESERVATIONS ABOUT OFFERING ANY ENCOURAGEMENT TO BANGLADESH FOR THEIR PROPOSED NUCLEAR POWER PROJECT BY PROVIDING A COST-FREE EXPERT TO PARTICIPATE IN THIS GROUP OF EXPERTS AS PROPOSED BY THE AGENCY. ON THE OTHER HAND, REFUSAL TO ALLOW THE PARTICIPATION OF A U.S. EXPERT IN THE GROUP MIGHT BE VIEWED BY THE FRENCH AS AN INDIRECT ATTEMPT TO INTERFERE WITH A POTENTIAL SALE OF A POWER REACTOR AND MIGHT ALSO BE MISCONSTRUED BY THE BANGLADESH AUTHORITIES INVOLVED. ON BALANCE, THEREFORE, WE ARE INCLINED TO RECOMMEND THAT THE U.S. RESPOND BY INDICATING THAT A U.S. EXPERT WILL BE MADE AVAILABLE TO

PARTICIPATE IN THE GROUP, PROVIDED THE AGENCY COVERS
HIS TRAVEL AND PER DIEM EXPENSES. FURTHER, WE
RECOMMEND THAT O'BRIEN (IF HE IS SELECTED FOR THE JOB)
BE BRIEFED BY DOE/DEPT PRIOR TO UNDERTAKING THE
ASSIGNMENT. END COMMENT.

6. COPY OF AGENCY LETTER AND BACKGROUND INFORMATION
POUCHED AMMONS/DOE. PLEASE ADVISE. KIRK

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
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